

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
ATASCADERO MUTUAL WATER COMPANY

December 9, 2025

The meeting convened at the office of Atascadero Mutual Water Company, 5005 El Camino Real, Atascadero, at 4:30 p.m., President Frank Platz presiding. Others present were Vice President Brien Vierra, Directors Leroy Davis, Robert Jones, Jackie Lerno, General Manager John Neil, and Assistant Corporate Secretary Lorraine Halderman. Secretary Cheryl Powers was absent.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF MINUTES:

A motion was made and seconded to approve the meeting minutes of November 12, 2025; the motion carried 5 to 0.

The following reports were reviewed:

OPERATIONS REPORT:

The Chief Operator reported that that well levels haven't changed much since last month. Well 19 is scheduled for an in-frame engine rebuild and the parts have been ordered; work is expected to begin this month. The standby generator for Toloso was set up on Dec 5th, which will reduce manpower needs. Summit Hills standby generator will be set up in June.

FINANCIAL REPORT:

The financial reports for the period ending October 2025 were available for review. The General Manager reported that water sales revenue is less than projected for in the budget with 948 million gallons sold through the end of October in FY 2026 versus 973 million gallons through the end of October in FY 2025.

CONSERVATION REPORT:

The Conservation report was available for review.

RAINFALL:

Total rainfall received for the period July 1 through November 30 was 5.59 inches, recorded at the weather station at 6575 Sycamore Rd.

WELL LEVELS:

The static water level (SWL) at the northerly end of the main well field was 45.0 feet below ground surface (BGS) at the end of November, up from 49.0 feet BGS at the end of October. Groundwater levels last year at this time were at 39.7 feet BGS. It is expected that groundwater levels will continue upward now that peak irrigation season has ended.

NACIMIENTO WATER PROJECT:

AMWC is not currently taking delivery from the Nacimiento Water Project. The Lake was at 35.1% capacity with 132,515 acre-feet (af) of storage on November 30, down from 35.6% capacity with

134,650 af of storage on October 31. Current releases from the lake are 60 cubic feet per second (119 af per day).

PFAS TREATMENT:

A grading permit application package has been submitted to the City of Atascadero. A draft of the initial study for a mitigated negative declaration was uploaded to the state clearing house and the county clerk recorder's office on November 26, initiating the 30-day public comment period. The City informed staff of Regional Water Quality Control Board (RWQCB) requirements for storm water runoff from the project site. Staff is investigating how to address RWQCB requirements.

NEXT MEETING DATES AND TIMES:

The next Regular meeting is scheduled for January 7, 2026, at 4:30 p.m.

NEW BUSINESS:

In place of the customary holiday turkeys and hams, the General Manager recommended providing gift cards to staff. The Board agreed and approved gift cards valued at \$75 each.

HIGH-USE BILLING ADJUSTMENT, 9123 SAN RAFAEL RD

The shareholder at 9123 San Rafael Rd is requesting an adjustment to their water bill due to high use. Staff could not approve a high-use adjustment since the high use was less than twice the 2-year average. The General Manager presented three alternatives for the Board's consideration:

- Alternative 1- Deny the request for additional reduction of the high use water bill
- Alternative 2 – Allow the shareholder to pay off the high-use bill balance under a 12-month payment plan. Payments under the plan would be in addition to future monthly water charges incurred by the shareholder.
- Alternative 3 – Modify the existing policy to allow for increases in the amount granted for high-use billing adjustments.

A motion was made and seconded to approve Alternative 1; The motion carried 5-0

PRIVATE WELL, 14080 SAN ANTONIO RD:

The property at 14080 San Antonio Rd (APN 059-141-011) currently obtains water from an existing well on the property. In addition to the well, the property has a water service with AMWC (Acct No 013795-000) that is currently on standby status.

The shareholder has applied to the County for a lot split. The Parcel Map CO 25-0037 shows the existing well will be on Lot 2 and the existing residence will be on Lot 1. The shareholder desires to continue serving Lot 1 from the existing well, and Lot 2 to be served from the existing water services.

At its October 2025 meeting, the Board considered a request by the Shareholder for an exception to Policy 1.5.6 to allow water from the existing private well on Lot 2 to serve Lot 1. The Board tabled the matter and directed staff to make modifications to the Private Well Agreement to allow for the transfer of water between Lots 1 and 2 so long as both lots are owned by the current shareholder or immediate family members.

At the November 2025 meeting, the Board directed staff to limit the transfer of water from the well across property boundaries to the first successor in interest to the property.

The General Manager recommended to approve the shareholder's request for an exception to Policy 1.5.6, Restrictions to Private Wells, to allow the water from an existing private well on Lot 2 to serve Lot 1 of Parcel Map CO 25-0037, subject to the shareholder entering into a recorded agreement in substantial conformance with the *Agreement Regarding Private Well and Severance of Well Connection*.

A motion was made and seconded to approve; The motion carried 5-0

Property owner Bettina Salter was present at the meeting and thanked the Board for their consideration and decision.

PRIVATE WELL, 5455 BOLSA RD

The property at 5455 Bolsa Rd (APN 530-321-012) currently obtains water from an existing well on the property. In addition to the well, the property has a water service with AMWC (Acct No. 016969-000) that is on standby status.

The shareholder has applied to the City of Atascadero for a lot split (Tentative Parcel Map AT 25-0008). The tentative map shows the existing well will be located on Parcel 1 and the existing residence will be on Parcel 2. The shareholder desires to continue serving Parcel 2 from the existing well and will obtain a new water service to serve Parcel 1.

At its October 2025 meeting, the Board discussed amending the form of the current Private Well agreement to allow transfer of the property to a family member without serving the well connection between the properties. At its November 2025 meeting, the Board directed staff to further amend the agreement, limiting the transfer of water from the well across property boundaries to the first successor in interest to the property.

The GM recommendation is to approve the shareholder's request for an exception to Policy 1.5.6 Restrictions on Private Wells, to allow the water from an existing private well on Parcel 1 to serve Parcel 2 of the Tentative Parcel Map AT 25-0008, subject to the shareholder entering into a recorded agreement in conformance with the *Agreement Regarding Private Well and Severance of Well Connection*.

A motion was made and seconded to approve; The motion carried 5-0

CELL SITE LEASE EXTENSION, CROWN CASTLE, PINE MOUNTAIN

AMWC currently has a cellular site lease operated by Crown Castle (T-Mobile) on the Pine Mountain tank property. The lease with all its term extensions expires on March 11, 2028. The lessee desires to extend the lease beyond 2028. The current monthly rent on the stie is \$3,554.91 with an annual escalation rate of 4%. The existing lease agreement provides for a 50% revenue share on future tenants and allows the lease to terminate for any reason and with no penalties.

Crown Castle's representative, MD7, sent a letter indicating its interest in extending the lease under revised terms offering a 25-year lease extension with reduced annual rate and escalator and adding right of refusal language. The GM's recommendation is to direct the GM to respond to MD7's lease extension proposal with a counteroffer that adds three 5-year renewal terms to the existing lease.

A motion was made and seconded to approve; The motion carried 5-0

CELL SITE LEASE PURCHASE AGREEMENT, LANDMARK DIVIDEND

AMWC currently has three cellular site leases: two on Pine Mountain Tank property and one on the Santa Ana Tank property. All leases are for a single carrier/single frequency. The existing agreement allows the lessee to terminate the leases for any reason and without penalty.

On Nov 25, 2035, Landmark Dividend sent a letter of interest, indicating its interest in acquiring AMWCS’s existing cell site leases. The GM recommendation is for the Board to direct the GM to work with legal counsel to negotiate a cell site lease purchase agreement with Landmark Dividend in substantial conformance with Attachment B, December 9, 2025 Agenda.

The net revenue of Landmark’s proposed lease purchase would be \$1,770,000. The net present value of the current leases is \$1.6 million The Board recommendation is to negotiate further with Landmark with a target of \$1.9 million to \$2.2 million. The Board has expressed a preference for incorporating more of the AMWC’s standard language into the agreement and to add a clause that prior approval would be required if Landmark decides to sell in the future.

APPOINTMENT OF ASSISTANT CORPORATE SECRETARY

AMWC’s Assistant Corporate Secretary position has historically been held by the Administrative Assistant. Lorraine Halderman was appointed to the position in March 2007. Susan Jordan currently holds the Administrative Assistant position.

A motion was made and seconded to approve appointing Susan Jordan as AMWC’s Assistant Corporate Secretary; The motion carried 5-0

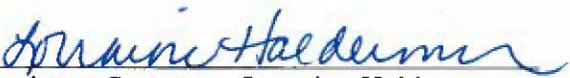
401(k) PLAN EMPLOYER CONTRIBUTION

AMWC currently contributes a discretionary match of up to 4% of each participant’s plan compensation. AMWC’s total contribution per participant can be up to 7% for employees who contribute at least 4%; 3% is a Safe Harbor contribution, which is non-discretionary.

BE IT RESOLVED: That, effective Jan 1, 2026, AMWC’s discretionary non-elective employer contribution for its 401(k) plan will be up to 4% of all participant’s plan compensation.

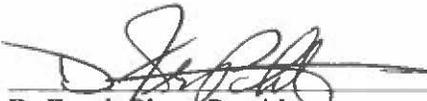
A motion was made and seconded to approve; The motion carried 5-0

The meeting was adjourned at 5:01 p.m.


Assistant Secretary, Lorraine Halderman

APPROVED:

The undersigned directors of the Company approve the foregoing minutes of directors and acknowledge notice of the meeting or, if notice was not properly given, waive notice of the meeting.



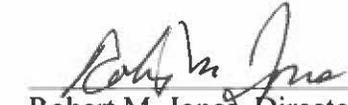
D. Frank Platz, President



Leroy R. Davis, Director



Brian C. Vierra, Vice President



Robert M. Jones, Director



Jackie M. Lerno, Director

